

How do I apply for retirement credit for the 1989-1998 PIT buy-back?

The PIT buyback was created to remove the inequity in the law that excluded family members employed at U.S. missions overseas from participating in the retirement system between 1989-98. The rules were changed in 1998 but were not effective retroactively – until now. The law has been changed to allow family members who worked overseas during the 1989-1998 time frame as PIT employees to purchase credit toward retirement for their government service.

The PIT Buyback program is now in effect, and we encourage eligible candidates to apply. However, we are not yet ready to accept payment of deposits. We are coordinating with the Retirement Accounts Division on calculation of employees' and employing agency deposits (with interest) and with the Office of Personnel Management to ensure that employees receive proper credit toward retirement for their service.

According to the regulations, in order to qualify for the buyback program and purchase credit toward retirement, applicants must meet the following criteria:

- The PIT Buyback Legislation **is limited to service overseas between January 1, 1989 to May 23, 1998**. Applicants who have periods of service other than during that specific timeframe need to file a separate application. Separate applications to make service credit payment may be submitted at the same time.
- Service under a PIT appointment is creditable for retirement purposes, but employment under a PSC (Personal Services Contract) is not.
- Service must be performed at a U.S. mission abroad;
- Applicants must meet eligibility requirements for family-member, limited, non-career appointments;
- Service must have been of a temporary nature, i.e. appointments may not exceed one year although they may have been extended for subsequent periods of one year or less;
- Service must have lasted for periods of 90 days or more;
- Service would have been creditable under FERS if it had been performed before 1989 and if the appropriate deposit had been paid;
- Applicants (employees or annuitants) must make an appropriate deposit in one lump sum within 180 days of being notified of the deposit accompanied by the employing agency's contribution;

- Application must be made within 36 months of the effective date of the regulations.

HR/RET is preparing for implementation of the PIT buyback legislation.

Interested individuals should complete form SF-3108

<http://www.opm.gov/forms/pdf_fill/SF3108.pdf> “Application to Make Service Credit Payment.” HR/RET will complete Part B of the application. Those enrolled under FSPS rather than FERS should instead submit form DS 5001. <<http://foia.state.gov/FORMS/Retirement/ds5001.pdf>> Please include your e-mail address on your application.

The application should include as much detail as possible regarding dates of service, pay rates, work schedule (hours per week), and leave without pay (LWOP) during the period of employment. This information will be used to calculate the deposit needed to purchase credit toward retirement for prior years of service.

Please **attach any SF-50s** required to document service during the period from January 1, 1989 to May 23, 1998 to the SF 3108. In addition to SF-50s, please also attach any notices of pay adjustments shown on earnings and leave statements. HR/RET will review and supplement this information with documentation contained in applicants’ official personnel folders if necessary.

Please check the SF-50s before submission to ensure that during the period of employment, retirement deductions were not being made. You can determine this by checking Box #30 of the form that indicates retirement plan. If the box shows “2. FICA” only Social Security deductions were made. If the box shows “K. FERS and FICA” or “P. FSPS and FICA,” then retirement deductions were made.

Once the eligible periods of employment have been determined, HR/RET will calculate the amount required to purchase service credit. This deposit equals the amount that would have been contributed by the employee at the time if s/he had been eligible to participate in the retirement program, plus accrued interest. The Department of State, as the employing agency, must also make an appropriate deposit including interest. The employee (or annuitant) may pay all or part of the deposit, but payment must be within six months of being notified of the amount due and in one lump sum. OPM will calculate the impact of additional service credit on the applicant’s annuity.

Please submit completed applications to:

HR/RET
Department of State
Room H-620, SA-1
Washington, DC 20522
Tel. (202) 261-8960

Please send any questions via e-mail to: RETServices@state.gov